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May 28, 2004

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MAY 28 2004

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Hand Delivered

Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
236 Massachusetts Ave., NW, Suite 110
Washington, DC 20002

Re: In the Matter of Federal-State Joint Board on Universal Service
Centennial Lafayette Communications, LLC; Centennial Beauregard Cellular
LLC; Centennial Caldwell Cellular Corp.; Centennial Morehouse Cellular, LLC
Petition for Waiver of Section 54.314(d)(3) of the Commission's Rules
CC Docket No. 96-45

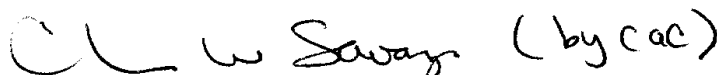
Dear Ms. Dortch:

Enclosed for filing in the above proceeding please find the original and four (4) copies, of
Centennial Lafayette Communications, LLC; Centennial Beauregard Cellular LLC; Centennial
Caldwell Cellular Corp.; Centennial Morehouse Cellular, LLC Petition for Waiver of Section
54.314(d)(3) of the Commission's Rules.

Also enclosed is a "Stamp and Return" copy of this filing which we ask be stamped
with the FCC's date of filing and then returned to our messenger.

Thank you for your assistance.

Sincerely,


Christopher W. Savage

Enclosures

cc: William Roughton, Esq.
Service List

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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MAY 28 2004

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of

Federal-State Joint Board on Universal Service

Centennial Lafayette Communications, LLC;
Centennial Beauregard Cellular, LLC; Centennial
Hammond Cellular, LLC; Centennial Caldwell
Cellular Corp.; Centennial Morehouse Cellular,
LLC

CC Docket No. 96-45

Petition for Waiver of Section 54.314(d)(1) of the
Commission's Rules

WAIVER - EXPEDITED ACTION REQUESTED

**CENTENNIAL LAFAYETTE COMMUNICATIONS, LLC, CENTENNIAL
BEAUREGARD CELLULAR, LLC, CENTENNIAL HAMMOND CELLULAR, LLC,
CENTENNIAL CALDWELL CELLULAR CORP., AND CENTENNIAL MOREHOUSE
CELLULAR, LLC PETITION FOR WAIVER OF SECTION 54.314(d) OF THE
COMMISSION'S RULES**

Centennial Lafayette Communications, LLC, Centennial Beauregard Cellular, LLC,
Centennial Hammond Cellular, LLC, Centennial Caldwell Cellular Corp., and Centennial
Morehouse Cellular, LLC (collectively "Centennial"), pursuant to Sections 1.3 and 1.925 of the
Commission's rules,¹ hereby urgently petitions the Commission for an expedited waiver of the
October 1, 2003, filing deadline set forth in Section 54.314(d)(1) of the Commission's rules.
Approval of this waiver request will allow Centennial to receive universal service support in
Louisiana beginning as of January 14, 2004, the effective date of the decision of the Louisiana

¹ See 47 C.F.R. §1.3; §1.925. Pursuant to §1.1105 of the rules, no filing fee applies to this request.

Public Service Commission (“Louisiana PSC”) designating Centennial as an Eligible Telecommunications Carrier (“ETC”).²

Centennial requires immediate access to the universal service funding to which it is entitled in order to promptly begin building out its wireless network to serve currently unserved and under-served areas of Louisiana. Currently, the communities of Shaw and Blackhawk, Louisiana have no telephone service at all, wired or wireless. The Louisiana PSC has ordered Centennial to use its universal funding to provide wireless service to these previously unserved areas.³ It is economically unviable to do so in the absence of receiving universal service funding. In light of Centennial’s commitment to extend service to these areas, each day that Centennial is delayed in receiving its authorized funding results in a day-for-day delay in Centennial’s ability to serve these areas effectively. For this reason, Centennial respectfully, but urgently, requests that this request be granted on an expedited basis, as soon as possible.

BACKGROUND

Centennial is a Commercial Mobile Radio Service (“CMRS”) carrier and provides wireless telecommunications service to customers in rural and metropolitan areas throughout the sixty-three Louisiana parishes. On February 19, 2003 — well over a year ago — Centennial submitted an application to the Louisiana PSC requesting designation as an ETC in the rural areas of Louisiana within Centennial’s authorized service territory. After extensive proceedings before an administrative law judge, the matter first came before the Louisiana PSC in mid-

² Centennial Lafayette Communications, LLC; Centennial Beauregard Cellular, LLC; Centennial Hammond Cellular, LLC; Centennial Caldwell Cellular Corp.; Centennial Morehouse Cellular, LLC, Docket No. U-27174, In re: Application for designation as an [ETC] pursuant to Section 214(e)(6) of the Communications Act of 1934 for the purposes of receiving federal universal service support in Louisiana (on reconsideration), Order No. U-27174 (effective as of January 14, 2004; issued May 12, 2004) (“*Louisiana PSC Centennial ETC Ruling*”). A copy of this ruling is attached as Exhibit A.

³ *Id.* at 7, item 6 (Centennial to extend service to unserved areas of Shaw and Blackhawk, Louisiana).

January 2004. By that time this Commission had reached its decision in the *Virginia Cellular* case, which was released shortly thereafter.⁴ *Virginia Cellular* clarified the scope of matters that state regulators could reasonably consider in applying the “public interest” test in 47 U.S.C. § 214(e). While there was never any serious question that Centennial would meet this clarified “public interest” standard, the timing of the Louisiana PSC’s decision and release of *Virginia Cellular* directly affected the timing of its ultimate action on Centennial’s request for designation. On May 12, 2004, however, the Louisiana PSC approved Centennial’s application, as of January 14, 2004, and issued an Order designating Centennial as an ETC in Louisiana for the purpose of receiving federal universal service support.⁵

Given the specific circumstances surrounding the timing of its action, the Louisiana PSC expressly ruled that the effective date of Centennial’s eligibility to receive rural high-cost universal service support pursuant to Section 54.307 of the Commission’s rules (which provides for support to competitive ETCs)⁶ was January 14, 2004 — the date the matter originally came up to the Louisiana PSC from its administrative law judge. The Louisiana PSC, in other words, properly took steps to ensure that after proceedings lasting more than a year, neither Centennial nor the citizens of rural Louisiana would be deprived of appropriate high-cost universal service support attributable to last-minute changes to and clarifications of the applicable legal standard particularly where those changes and clarifications did not materially affect Centennial’s actual qualification to receive support.

⁴ In the Matter of Federal-State Joint Board on Universal Service, *Virginia Cellular, LLC* Petition for Designation as an [ETC], FCC 03-338 (decided December 31, 2003; released January 22, 2004) (“*Virginia Cellular*”).

⁵ *Louisiana PSC Centennial ETC Order*, *supra*.

⁶ See 47 C.F.R. § 54.307.

Section 54.314 of the Commission's rules sets forth the requirements for state certification of support for rural carriers. States that desire universal service high-cost support for rural ETCs must file an annual certification by October 1 with the Universal Service Administrative Company ("USAC") and this Commission, stating that all high-cost support received by rural ETCs within the state will be used "only for the provision, maintenance, and upgrading of facilities and services for which support is intended" (hereinafter referred to as a "Section 54.314 Certification").⁷ Section 54.314 establishes a quarterly filing schedule that determines when an ETC may begin receiving support during the calendar year.⁸ Universal service support will only be provided to a rural ETC in a state to the extent the state has filed the requisite certification.

On May 27, 2004, the Louisiana PSC filed a Section 54.314 Certification with this Commission and USAC certifying Centennial as eligible to receive federal universal service funds beginning on January 14, 2004.⁹ However, due to the filing deadlines set forth in Section 54.314(d) of the Commission's rules, Centennial will be denied universal service support for the first 3 quarters of 2004 unless the Commission grants this waiver request.

As set forth below, a waiver of the October 1, 2003 filing deadline will allow Centennial to receive universal service support beginning as of the effective date of its ETC designation for Louisiana. Such action would be consistent with Commission precedent, consistent with the

⁷ See 47 C.F.R. § 54.314.

⁸ Pursuant to Section 54.314(d), a state's certification must be filed by October 1 of the preceding calendar year for eligible carriers to receive support beginning in the first quarter of the subsequent calendar year. If the October deadline is missed, the certification must be filed by January 1 for support to begin the second quarter, by April 1 for support to begin in the third quarter, and by July 1 for support to begin in the fourth quarter.

⁹ See Letter dated May 27, 2004 from L. C. St. Blanc, Secretary of the Louisiana Public Service Commission, to M. Dortch (FCC) and I. Flannery (USAC) ("*Louisiana PSC Letter*"). A copy is attached as Exhibit B.

Commission's well-established competitively neutral universal service policies, and would serve the public interest.

REQUEST FOR WAIVER

Section 1.3 of the Commission's rules provides the Commission with discretion to waive application of any of its rules upon a showing of good cause. In addition, Section 1.925(b)(3) provides for waiver where it is shown that:

- (i) The underlying purpose of the rule(s) would not be served or would be frustrated by application to the instant case, and that a grant of the requested waiver would be in the public interest; or
- (ii) In view of unique or unusual factual circumstances of the instant case, application of the rule(s) would be inequitable, unduly burdensome or contrary to the public interest, or the applicant has no reasonable alternative.¹⁰

Federal courts also have recognized that "a waiver is appropriate only if special circumstances warrant a deviation from the general rule and such a deviation would serve the public interest."¹¹ Accordingly, the Commission "may exercise its discretion to waive a rule where particular facts would make strict compliance inconsistent with the public interest."¹²

The Commission established the quarterly Section 54.314 Certification filing schedule to facilitate USAC's ability to report universal service support projections to the FCC. The schedule in Section 54.314 was not intended to create a process that disadvantages carriers receiving ETC designation subsequent to one of the quarterly certification deadlines. The October 1, 2003 filing deadline for 2004 support fell more than 3 months prior to the January 14, 2004 effective date of Centennial's ETC designation by the Louisiana PSC. In these

¹⁰ See 47 C.F.R. §1.925(b)(3).

¹¹ *Northeast Cellular Telephone Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990); *see also WAIT Radio v FCC*, 418 F.2d 1153, 1157 (D.C. Cir. 1969), *cert. denied*, 409 U.S. 1027 (1972).

¹² *Northeast Cellular Telephone Co.*, 897 F.2d at 1166 (citing *WAIT Radio* 418 F.2d at 1159).

circumstances, it is clear that the Louisiana PSC could not have met, under any circumstances, the normal deadline for Centennial to receive support beginning with the 1st quarter of 2004. Receipt of such support, however, is what the Louisiana PSC clearly intended. This is implicit in the January 14, 2004, effective date of Centennial's ETC designation,¹³ and made explicit in the Louisiana PSC's letter of May 27, 2004 (at page 2):

In addition, the LPSC fully supports Centennial's request for a waiver of Section 54.314 of the FCC's rules, the effect of which will allow Centennial to receive universal service support in Louisiana beginning on January 14, 2004. The LPSC supports Centennial's waiver request as in the public interest and consistent with the goals of universal service. As part of its ETC designation, Centennial has committed to use USF funds to provide wireless service to areas of rural Louisiana that currently have no phone service (wired or wireless). Accordingly, the sooner Centennial has access to USF funds, the sooner the citizens of those areas will have phone service.

The Commission has previously concluded that strict application of the Section 54.314 Certification filing schedule is inconsistent with the public interest and undermines the Commission's goals of competitive neutrality when a carrier is denied universal service support it is otherwise entitled to receive. In granting similar waiver requests to competitive ETCs, the Commission has acknowledged that strict application of the certification filing schedule set forth in Section 54.314(d) may have the effect of penalizing newly designated ETCs. For that reason the Commission has determined that it would be "onerous" to require an ETC to forego universal service support solely because it was designated as an ETC after a certification deadline.¹⁴

¹³ Centennial is not seeking USF payments for the period from January 1 through January 13, 2004. It simply seeks to receive payments beginning with the effective date of its ETC designation.

¹⁴ RFB Cellular, Inc. Petition for Waiver of Sections 54.314(d) and 54.307(c) of the Commission's Rules and Regulations, Order, 17 FCC Rcd 24387, para. 6 ("RFB Waiver Order"); Guam Cellular and Paging, Inc. Petition for Waiver of Section 54.314 of the Commission's Rules and Regulations, Order, CC Docket No. 96-45, DA 03-1169 (rel. April 17, 2003) ("Guamcell Waiver Order"); Western Wireless Corporation Petition for Waiver of Sections 54.314 of the Commission's Rules and Regulations, Order, CC Docket No. 96-45, DA 03-2364 (rel. July 18, 2003) ("Western Wireless Order").

Here, it would be onerous to deny Centennial receipt of universal service support beginning as of the January 14, 2004 effective date established by the Louisiana PSC, merely because its ETC designation occurred after the Section 54.314 Certification filing deadline for 2004 support.¹⁵ Centennial's circumstances are generally similar to the circumstances of several competitive ETCs that have been granted waiver of the filing deadlines set forth in Section 54.314.¹⁶ Denying support to Centennial, a competitive ETC, based upon the timing of its ETC designation would undermine the Commission's goals of competitive neutrality. Moreover, the Section 54.314 Certification filing schedule has the unintended consequence with respect to Centennial in Louisiana of delaying universal service support well beyond the effective date of Centennial's ETC designation.¹⁷ This is inconsistent with, and frustrates, the underlying purpose of the Commission's rules, and is inequitable and unduly burdensome to Centennial.

For all these the reasons, granting a waiver of the filing deadline set forth in Section 54.314(d) of the rules — which will allow Centennial to receive universal service support beginning on January 14, 2004, the effective date of its ETC designation in Louisiana — is appropriate and consistent with Commission precedent, consistent with the Commission's statutory goal of preserving and advancing universal service, and in the public interest.

REQUEST FOR EXPEDITED TREATMENT

Centennial urgently requests expedited action on this waiver request. Centennial and the Louisiana consumers that it serves --- and seeks to serve — should not be deprived of substantial universal service support as a result of the unintended timing problem created by the quarterly

¹⁵ See Western Wireless Order, para. 7.

¹⁶ See RFB Waiver Order, GuamCell Order, Western Wireless Order.

¹⁷ Indeed, without the waiver, Centennial will not receive universal service support until the fourth quarter of 2004, nearly nine months after the effective date of the Louisiana PSC Centennial ETC Ruling.

filing deadlines of Section 54.314(d). Denying Centennial support for 2004 under these circumstances is contrary to the statutory goal of promoting the availability of universal service to consumers in high-cost and rural areas.

Indeed, the impact of the Commission's non-substantive, administrative rules is particularly harsh given the situation in rural Louisiana. There are areas within Centennial's service territory that have no telephone service *at all* — whether from Centennial or from a landline carrier. *See Louisiana PSC Letter* at 2. In connection with its ETC designation, Centennial has agreed to extend its wireless network to cover those areas (specifically, certain areas surrounding Shaw, Louisiana and Blackhawk, Louisiana), even though, in normal economic terms, there is no reason to do so given their relatively small population.¹⁸ Only the receipt of USF funding for Centennial's rural Louisiana service territories makes it viable for Centennial to extend service to these areas. As a result, this is not a situation in which the receipt of USF funding will merely defray the high costs of an existing level of service (valuable though that function may be, in many cases). Instead, this is a situation where the core purpose of the USF system — availability of telephone service to rural citizens — is directly dependent on the receipt of USF funding. In these circumstances, not only is a waiver of the Commission's rules fully justified, it is also critically important that the waiver be granted on an expedited basis so that Centennial may immediately begin the planning and implementation of the required network expansion. *See Louisiana PSC Letter* at 2.

CONCLUSION

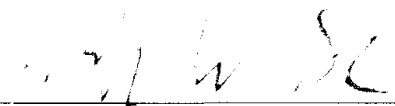
For the reasons stated herein, Centennial respectfully requests, pursuant to Sections 1.3 and 1.925 of the FCC's rules, a waiver of Section 54.314(d) of the Commission's rules. In light

of the unique factual setting of this request – specifically, Centennial’s commitment to extend service to certain completely unserved areas of Louisiana — Centennial also seeks expedited consideration of its waiver request

Respectfully submitted,

Centennial Lafayette Communications, LLC,
Centennial Beauregard Cellular, LLC Centennial
Hammond Cellular, LLC,
Centennial Caldwell Cellular Corp.
Centennial Morehouse Cellular, LLC

By:



Christopher W. Savage

Its Attorney

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1919 Pennsylvania Avenue, NW

Suite 200

Washington, D.C. 20006

(202) 659-9750

William Roughton
Vice President – Legal and Regulatory Affairs
Of Counsel

May 28, 2004

...(note continued)

¹⁸ See Louisiana PSC Centennial ETC Order at 7, numbered item 6.

Exhibit A

LOUISIANA PUBLIC SERVICE COMMISSION

ORDER NO. U-27174

CENTENNIAL LAFAYETTE COMMUNICATIONS, LLC,
CENTENNIAL BEAUREGARD CELLULAR, LLC,
CENTENNIAL HAMMOND CELLULAR, LLC,
CENTENNIAL CALDWELL CELLULAR CORP. AND
CENTENNIAL MOREHOUSE CELLULAR, LLC,
EX PARTE.

Docket No. U-27174. In re: Application for designation as an eligible telecommunications carrier pursuant to Section 214(e)(6) of the Communications Act of 1934 for the purposes of receiving federal universal service support in Louisiana. **(On Reconsideration)**

Amends and Supersedes Order U-27174)

(Decided at the May 12, 2004 Business and Executive Session.)

Nature of the Case

Centennial Lafayette Communications, LLC, Centennial Beauregard Cellular, LLC, Centennial Hammond Cellular, LLC, Centennial Caldwell Cellular Corp. and Centennial Morehouse Cellular, LLC ("Centennial") seek to be designated eligible telecommunications carriers ("ETCs") pursuant to 47 U.S.C. § 214(e)(2) throughout Centennial's service area for purposes of receiving federal universal service support and high cost certification in Louisiana.¹ 47 U.S.C. § 214(e)(2) provides that the Louisiana Public Service Commission ("Commission") may, upon request and consistent with the public interest, convenience, and necessity, designate more than one common carrier as an ETC for a service area designated by the state commission, so long as the carrier meets the requirements of 47 U.S.C. § 214(e)(1). Centennial requests that the Commission exercise its authority and designate each Centennial subsidiary as an ETC so that those subsidiaries are eligible to receive federal high cost and low-income universal service support.

Jurisdiction and Applicable Law

The Commission exercises jurisdiction over public utilities in Louisiana pursuant to the Louisiana Constitution Article IV, Section 21(B), which states:

The commission shall regulate all common carriers and public utilities and have such other regulatory authority as provided by law. It shall adopt and enforce reasonable rules, regulations and procedures necessary for the discharge of its duties, and shall have other powers and perform other duties as provide by law.

Pursuant to the above authority, the Commission adopted the Regulations for Competition in the Local Telecommunications Market, as most recently amended in Appendix B to the General Order dated July 24, 2002. As defined therein in Section 101,

4) *Commercial Mobile Radio Service (CMRS)* – a mobile service that is: (1) provided for profit, i.e., with the intent of receiving compensation or monetary gain; (2) an interconnected service; and (3) available to the public, or to such classes of eligible users as to be effectively available to a substantial portion of the public; or (b) the functional equivalent of such a mobile service described in paragraph (a) of this definition. 47 CFR § 20.3, as amended. CMRS includes "Radio Common Carriers" as that term is defined and used in 47 C.F.R. § 45.150 *et seq.*

¹ The application was erroneously filed under § 214(e)(6), which governs applications filed with the Federal Communications Commission seeking ETC status.

(7) Commercial Mobile Radio Service Provider – any person or entity engaged in the provision of a service that is a commercial mobile radio service. CMRS provider includes “Radio Common Carriers” as that term is defined and used in La. R.S. § 45:1500 *et seq.*

Pursuant to constitutional and statutory provisions, the Commission is given broad power to regulate telephone utilities and may adopt all reasonable and just rules, regulations, and orders affecting or connected with the service or operation of such business.² As stated previously, 47 U.S.C. § 214(e)(2) grants the power to the state commissions to designate a common carrier that meets the requirements of 47 U.S.C. § 214(e)(1) as an ETC for a service area specified by the commission.

Additionally, the Commission sets forth the filing requirements for CMRS providers in Section 401.B, which states:

Providers of CMRS and providers of PMRS shall file tariffs, which identify and describe the rates, terms and conditions of services offered and provided in Louisiana. Such tariff filings shall be reviewed by the Commission consistent with the mandates of the Omnibus Budget Reconciliation Act of 1993 as codified at 47 U.S.C.A. § 3.2 as amended. However, to ensure the universal availability of telecommunications services to Louisiana consumers at affordable rates, providers of CMRS or PMRS, where such services have become or are a substitute for land line telephone exchange service for a substantial portion of the communications within the State, shall be required to abide by and comply with these tariff filing requirements.

The Commission has generally excluded CMRS from any additional regulatory or reporting requirements.

47 USC § 214(e) Provision of Universal Service

(1) *Eligible telecommunications carriers* - A common carrier designated as an eligible telecommunications carrier under paragraph (2), (3), or (6) shall be eligible to receive universal service support in accordance with section 254 of this title and shall, throughout the service area for which the designation is received:

(A) offer the services that are supported by federal universal service support mechanisms under section 254(e) of this title, either using its own facilities or a combination of its own facilities and resale of another carrier's services (including the services offered by another eligible telecommunications carrier); and

(B) advertise the availability of such services and the charges therefor using media of general distribution.

(2) *Designation of eligible telecommunications carriers* - A State commission shall upon its own motion or upon request designate a common carrier that meets the requirements of paragraph (1) as an eligible telecommunications carrier for a service area designated by the State commission. Upon request and consistent with the public interest, convenience, and necessity, the State commission may, in the case of an area served by a rural telephone company, and shall, in the case of all other areas, designate more than one common carrier as an eligible telecommunications carrier for a service area designated by the State commission, so long as each additional requesting carrier meets the requirements of paragraph (1). Before designating an additional eligible

² *South Central Bell Tel. Co. v. Louisiana Public Service Commission*, 352 So.2d 999, Supp. 1977.

telecommunications carrier for an area served by a rural telephone company. The State commission shall find that the designation is in the public interest.

47 C.F.R. § 54.101 Supported Services for Rural, Insular and High-Cost Areas

- (a) Services designated for support. The following services or functionalities shall be supported by federal universal service support mechanisms:
 - (1) Voice grade access to the public switched network. "Voice grade access" is defined as a functionality that enables a user of telecommunications services to transmit voice communications, including signaling the network that the caller wishes to place a call, and to receive voice communications, including receiving a signal indicating there is an incoming call. For the purposes of this part, bandwidth for voice grade access should be, at a minimum, 300 to 3,000 Hertz;
 - (2) Local usage. "Local usage" means an amount of minutes of use of exchange service, prescribed by the Commission, provided free of charge to end users;
 - (3) Dual tone multi-frequency signaling or its functional equivalent. "Dual tone multi-frequency" (DTMF) is a method of signaling that facilitates the transportation of signaling through the network, shortening call set-up time;
 - (4) Single-party service or its functional equivalent. "Single-party service" is telecommunications service that permits users to have exclusive use of a wireline subscriber loop or access line for each call placed, or, in the case of wireless telecommunications carriers, which use spectrum shared among users to provide service, a dedicated message path for the length of a user's particular transmission;
 - (5) Access to emergency services. "Access to emergency services" includes access to services, such as 911 and enhanced 911, provided by local governments or other public safety organizations. 911 is defined as a service that permits a telecommunications user, by dialing the three-digit code "911," to call emergency services through a Public Service Access Point (PSAP) operated by the local government. "Enhanced 911" is defined as 911 service that includes the ability to provide automatic numbering information (ANI), which enables the PSAP to call back if the call is disconnected, and automatic location information (ALI), which permits emergency service providers to identify the geographic location of the calling party. "Access to emergency services" includes access to 911 and enhanced 911 services to the extent the local government in an eligible carrier's service area has implemented 911 or enhanced 911 systems;
 - (6) Access to operator services. "Access to operator services" is defined as access to any automatic or live assistance to a consumer to arrange for billing or completion, or both, of a telephone call;

7. Access to interexchange service. "Access to interexchange service" is defined as the use of the loop, as well as that portion of the switch that is paid for by the end user, or the functional equivalent of these network elements in the case of a wireless carrier, necessary to access an interexchange carrier's network;
 8. Access to directory assistance. "Access to directory assistance" is defined as access to a service that includes, but is not limited to, making available to customers, upon request, information contained in directory listings; and
 9. Toll limitation for qualifying low-income consumers. Toll limitation for qualifying low-income consumers is described in subpart E of this part.
- (b) Requirement to offer all designated services. An eligible telecommunications carrier must offer each of the services set forth in paragraph (a) of this section in order to receive federal universal service support.
- (c) Additional time to complete network upgrades. A state commission may grant the petition of a telecommunications carrier that is otherwise eligible to receive universal service support under Sec. 214.201 requesting additional time to complete the network upgrades needed to provide single-party service, access to enhanced 911 service, or toll limitation. If such petition is granted, the otherwise eligible telecommunications carrier will be permitted to receive universal service support for the duration of the period designated by the state commission. State commissions should grant such a request only upon a finding that exceptional circumstances prevent an otherwise eligible telecommunications carrier from providing single-party service, access to enhanced 911 service, or toll limitation. The period should extend only as long as the relevant state commission finds that exceptional circumstances exist and should not extend beyond the time that the state commission deems necessary for that eligible telecommunications carrier to complete network upgrades. An otherwise eligible telecommunications carrier that is incapable of offering one or more of these three specific universal services must demonstrate to the state commission that exceptional circumstances exist with respect to each service for which the carrier desires a grant of additional time to complete network upgrades.

Background and Procedural History

Centennial filed an application with the Commission on February 19, 2003 seeking designation as an EIC pursuant to § 214(c)(2) of the Communications Act of 1934 for the purposes of receiving federal universal service support in Louisiana.³ Notice of the application was published in the Commission's Official Bulletin dated February 28, 2003.

Twenty intervenors were filed by the following: The Small Company Committee ("SCC"); AllTel Communications Wireless, Inc.; Radiolonia, Inc.; Lafourche Telephone Company, LLC; FATH - Elizabeth Telephone Company; Cameron Telephone Company; CenturyTel of Northwest Louisiana, Inc.; CenturyTel of Central Louisiana, LLC; CenturyTel of Ringgold, LLC; CenturyTel of Southeast Louisiana, Inc.; CenturyTel of North Louisiana, LLC; CenturyTel of East Louisiana, LLC; and CenturyTel of Southwest Louisiana, LLC.

³ The Communications Act of 1934 was revised in 1996 and is now referred to as the Telecommunications Act of 1996.

CenturyTel of Evangeline, LLC and CenturyTel of Chatham, LLC each filed a Motion for Intervention Out of Time and Inclusion on Service List on March 19, 2003. On March 27, 2003, Centennial filed an Opposition to Late Intervention of CenturyTel of Evangeline, LLC and CenturyTel of Chatham, LLC.

On April 16, 2003 a status conference was held during which the parties agreed that the issues could be presented for decision to the tribunal through briefing and that a hearing was not necessary. Secondly, a procedural schedule was established that required position statements to be filed by July 18, 2003 and replies to position statements to be filed by August 1, 2003. Finally, the Motion[s] for Intervention Out of Time and Inclusion on Service List filed by CenturyTel of Evangeline, LLC and CenturyTel of Chatham, LLC were denied.

On May 16, 2003 the Applicant filed a Motion to Correct Application in which it amended its application to reflect that it is also seeking designation as an ETC in the Lake Charles Metropolitan Statistical Area ("MSA") and the Lake Charles Rural Service Area ("RSA") 7, noting that it inadvertently omitted these areas from the original application. Notice of the corrected application was published in the Commission's Official Bulletin dated May 23, 2003. Elizabeth Telephone Company, LLC and Cameron Telephone Company, LLC filed their opposition.

In accordance with the deadlines established at the April 16, 2003 status conference, position statements and/or comments were submitted by Cameron Telephone Company; Elizabeth Telephone Company; Commission Staff; CenturyTel of East Louisiana, LLC; CenturyTel of North Louisiana, LLC; CenturyTel of Southeast Louisiana, Inc.; CenturyTel of Southwest Louisiana, Inc.; CenturyTel of Ringgo'd, LLC; CenturyTel of Central Louisiana; CenturyTel of Northwest Louisiana, Inc.; Small Company Committee and Centennial. Small Company Committee, Cameron Telephone Company, Elizabeth Telephone Company, and Centennial filed reply comments.

ALJ's Recommendation

The ALJ concluded that Centennial has demonstrated that it will offer the services supported by the federal universal service mechanism upon designation as an ETC. By so doing, and thus, complied with the requirement of 47 USC § 214(e)(1)(A) to "offer the services that are supported by the Federal universal service support mechanisms under 47 USC § 254(c)." The ALJ also concluded that Centennial has demonstrated that it satisfies the requirement of § 214(e)(1)(B) to advertise the availability of the supported services and the charges for those services using media of general distribution. The ALJ additionally determined that designating Centennial as an ETC in rural areas would be in the public interest. Accordingly, the ALJ recommended Centennial's application be granted, with certain conditions placed on such a grant.

Commission's Original Consideration

The ALJ's Final Recommendation regarding Centennial's application was considered by the Commission at its January 14, 2004 Business and Executive Session. Following oral argument by the parties, Commissioner Field made a motion to deny Centennial's application, stating the following reasons:

"that first of all, the state commissions, according to the Telecom Act of 1996, has a primary jurisdiction for granting ETC designations, and under Section 214(e) upon requests in consistent with the public interest, convenience, and necessity, the Commission may, with respect to an area served by a rural telephone company, and shall in all other cases designate more than one common carrier as an ETC for a designated service area. Secondly, the ALJ's recommendation correctly notes that the Commission seeks to ensure that all Louisiana residents have access to affordable phone service. One method of achieving this goal is to encourage providers to service rural and low-income areas by offering subsidies in the form of universal service support. Thirdly, the current regulatory compact the Commission enforces with the Louisiana rural LECs acknowledges the Commission's authority to regulate the

rural LECs retail rates for essential telecom services. Therefore, any draw the rural LECs make from the Universal Service Fund must be used to further the deployment of telecom services to rural and high cost customers. Moreover, the rates charged for these telecom services are subject to Commission's jurisdiction. Furthermore, the integrity of the universal service fund is safeguarded as a result of the requirement that the rural LECs draw is based on the rural LECs cost per wire line customer. Fourth, no regulatory compact exists with cellular providers. The Commission has no authority over the rates charged by cellular providers. If granted ETC status, Centennial would have the ability to draw from the fund without the legal obligation to reinvest in the service territory and with the freedom to price their services at whatever the market will bear. The ALJ in her final recommendation did place in a condition that restricted the manner in which funds can be expended. However, there is doubt as to whether such a condition would be enforceable. Furthermore, Centennial would base their Universal Service draw on the rural LECs cost per wire line customer, not on their own cost. Not only could this practice threaten the integrity of the Universal Service Fund, but it is against good government policy to fund rural access entities without regard to their own cost. Fifth, in addition to these facts, Centennial has failed to demonstrate that the company need USF support in order to continue providing services in rural Louisiana. This is a threshold issue. If the current market prices for the cellular product provide a sufficient return for the services rendered, there is no need for USF support at this time. For these reasons I find at this particular time, given this set of facts, it is not in the public interest to approve Centennial's application for ETC designation, and I move to deny the application for these reasons."

Commissioner Field's motion was seconded by Commissioner Sittig, and unanimously adopted by the Commission. The Commission's vote resulted in the issuance of Order U-27174 on March 5, 2004, which denied Centennial's request for ETC designation as not being in the public interest. Centennial filed a timely motion with the Commission, asking that it reconsider its prior decision.

Subsequent to the Commission's consideration, two important pronouncements were released that more clearly outline the state's authority regarding public interest determinations. First, the FCC issued its decision *In the Matter of Federal-State Joint Board on Universal Service, Virginia Cellular, LLC Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia*, CC Docket No. 96-45, *Memorandum Opinion and Order*, FCC 03-338 ("Virginia Cellular"), and later, the Joint Board on Universal Service issued its Proposed Recommendation *In the Matter of Federal-State Joint Board on Universal Service*, CC Docket No. 96-45 (released 12/7/04). In order to establish specific rules to implement public interest criteria, STC was directed to open a rulemaking docket, the result of which was the issuance of General Order 11 Docket R-27841, adopted by the Commission at its May 12, 2004 Business and Executive Session.

As set forth in the General Order, a number of factors are to be considered and applied, on a case specific basis, to determine whether an application for ETC designation in a rural area is in the public interest.

Commission's Reconsideration of Order U-27174

Following its vote in Docket R-27841, the Commission, on Motion of Commissioner Field, seconded by Commissioner Blossman, and unanimously adopted, voted to reconsider Centennial's request to be designated as an ETC. Following this vote, Commissioner Field then moved to designate Centennial as an ETC for the areas it requested, subjected to the public interest factors adopted in docket R-27841, and the additional factors:

1. As a condition of receiving and maintaining ETC status, Centennial shall have the limited right to intervene in the LOS/State USF docket for the purpose of ensuring the equality of USF assessments to all TSPs.

2. All USF funds received by Centennial shall not be used for any other purpose than to provide, maintain and/or upgrade its facilities and services in the rural high-cost areas within the state of Louisiana within its FCC-designated service territory.
3. All prior USF funds received by Centennial in the prior calendar year shall be placed in a savings and interest-bearing account.
4. Centennial's ETC designation shall be effective as of January 14, 2004, the date of the original order denying Centennial's ETC certification.
5. The LPSC shall take all action reasonably requested by Centennial to ensure that Centennial's ETC certification, and Centennial's receipt of federal high cost USF funds, is retroactive to January 1, 2004, including, without limitation, promptly filing with the FCC and USAC appropriate materials supporting Centennial in its requests for such retroactive support.
6. Centennial shall use portions of the funds it receives as a result of this designation to provide service to the originally unserved areas of Shaw and Blackhawk.

Commissioner Blossman seconded Commissioner Field's motion. Discussion was held concerning whether Centennial satisfied the public interest criteria established in Docket R-27841, whereby Staff agreed Centennial had satisfied the requirement. Following the discussion, role was taken, with Commissioners Field, Blossman, Dixon and Campbell voting yes and Commissioner Sittig voting no.

IT IS THEREFORE ORDERED THAT

1. Centennial Communications is designated as an Eligible Telecommunications Carrier for the purpose of receiving Universal Service Funds in areas served by rural telephone carriers, as set forth in its application in this docket, subject to the conditions established in Docket R-27841 and the additional conditions discussed herein.
2. This designation shall be deemed as effective as of January 14, 2004.

**BY ORDER OF THE COMMISSION
BATON ROUGE, LOUISIANA**

May 21, 2004

/s/ IRMA MUSE DIXON
DISTRICT III
CHAIRMAN IRMA MUSE DIXON

/s/ C. DALE SITTIG (DISSENTS)
DISTRICT IV
VICE CHAIRMAN C. DALE SITTIG

/s/ JAMES M. FIELD
DISTRICT II
COMMISSIONER JAMES M. FIELD

/s/ JACK "JAY" A. BLOSSMAN
DISTRICT I
COMMISSIONER JACK "JAY" A. BLOSSMAN

/s/ FOSTER L. CAMPBELL
DISTRICT V
COMMISSIONER FOSTER L. CAMPBELL


LAWRENCE C. ST. BLANC
SECRETARY

Exhibit B



Louisiana Public Service Commission

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Irma Muse Dixon, Chairman
District III
C. Dale Suttig, Vice Chairman
District IV
Jimmy Field
District II
Jack A. "Jay" Blossman
District I
Foster L. Campbell
District V

LAWRENCE C. ST. BLANC
Secretary

(MRS.) VON M. MEADOR
Deputy Undersecretary

EVE KAHAO GONZALEZ
General Counsel

May 27, 2004

Marlene H. Dortch
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Washington, DC 20554

Irene Flannery
Universal Service Administrative Company
2000 L Street, N.W.
Suite 200
Washington, D.C. 20036

USAC
444 Hoes Lane
RRC 4A1060
Piscataway, NJ 08854

Re: **CC Docket 96-45**
State Commission Section 54.314 Certification

Dear Ms. Dortch and Ms. Flannery:

The purpose of this letter is to supplement our August 18, 2003 High-Cost Certification (copy attached) and to advise the FCC and USAC that the entities listed below have met the requirements necessary to receive high cost support beginning on January 14, 2004, the effective date of the Louisiana Public Service Commission ("LPSC") order designating these entities as Eligible Telecommunications Carriers ("ETCs").

The LPSC certifies that the following carriers meet the requirements necessary to begin receiving federal universal service support on January 14, 2004:


Centennial Lafayette Communications, LLC	SAC 279005
Centennial Beauregard Cellular, LLC	SAC 279001
Centennial Hammond Cellular, LLC	SAC 279003
Centennial Caldwell Cellular Corp.	SAC 279002
Centennial Morehouse Cellular, LLC	SAC 279004

The carriers are eligible telecommunications carriers for rural service areas and universal service funds will be used for the intended purpose during 2004 as evidenced by the affidavit filed on behalf of the carriers.

In addition, the LPSC fully supports Centennial's request for waiver of Section 54.314 of the FCC's rules, the effect of which will allow Centennial to receive universal service support in Louisiana beginning on January 14, 2004. The LPSC supports Centennial's waiver request as in the public interest and consistent with the goals of universal service. As part of its ETC designation, Centennial has committed to use USF funds to provide wireless service to areas of rural Louisiana that currently have no phone service (wired or wireless). Accordingly, the sooner Centennial has access to USF funds, the sooner the citizens of these areas will have phone service.

If additional information is required, please feel free to contact our office.

Sincerely,



Lawrence C. St. Blanc
Executive Secretary

CERTIFICATE OF SERVICE

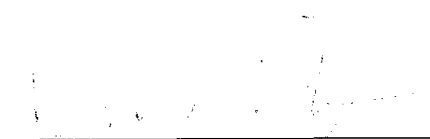
I, Debra Sloan, hereby certify that on this 28th day of May, 2004, I caused a copy of the foregoing *Centennial Lafayette Communications, LLC; Centennial Beauregard Cellular LLC; Centennial Caldwell Cellular Corp.; Centennial Morehouse Cellular, LLC Petition for Waiver of Section 54.314(d)(3) of the Commission's Rules* to be sent via hand delivery(*) or U.S. Mail to the following.

Eric Einhorn (*)
Chief
Telecom. Access Policy Division
Wireline Competition Bureau
Federal Communications Commission
445 12th Street, S.W.
Room 5-C360
Washington, DC 20554

Gina Spade (*)
Assistant Division Chief
Telecom. Access Policy Division
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Federal Communications Commission
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Lawrence C. St. Blanc
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Debra Sloan